

REDUCTION OF THE UK'S WAYS AND MEANS FACILITY: 31 JANUARY 2008

HM Treasury has today, 31 January 2008, instructed a further part repayment of the Government's Ways and Means facility at the Bank of England, with a payment to the Bank of England of £2.0 billion. The repayment will again be funded in the first instance by the DMO as part of its in year cash management operations of FY 2007-08 and will in due course be taken into account in funding the 2008-09 financing requirement. For further details, please see the announcement of 24 January 2008.

Notes

1. The "Ways and Means" facility is the central government's overdraft facility at the Bank of England. Until 2000, when the Debt Management Office (DMO) took responsibility for the Government's cash management function from the Bank of England, the facility was used as the means of balancing the Government's day-to-day cash needs. It has always been the Government's intention to reduce the advance over time.

2. In 2000, when cash management operations were moved from the Bank of England to the DMO, a decision was taken not to use the Ways and Means advance for cash management purposes. Please refer to the Debt Management Report 1999-2000 on HM Treasury website or follow this link <http://www.hm-treasury.gov.uk/media/E/2/165.pdf>.